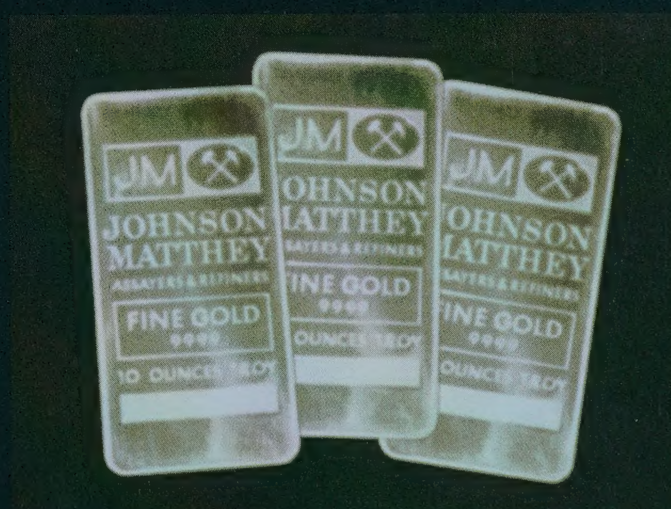
NEWMEX Minerals Inc.



ANNUAL REPORT 1999

CORPORATE PROFILE

The company's primary focus is on the acquisition of partially explored and/or recently produced, but currently inactive projects. Due to the relatively low cost of acquisition and initial testing, projects like these are amenable to straightforward economic evaluation and primary development with minimum exposure to risk. The company is well positioned to leverage the work conducted by claim holders in well-researched and carefully documented mineral-prone areas, with the medium-term objective being to realize significant returns at minimal cost. We have assembled a portfolio of mining properties and are approaching our objective of bringing a mine into economic production.

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PRESIDENT'S MESSAGE

During 1999, metal prices remained at or near recent lows, and new equity capital continued to be scarce. Newmex continues to take advantage of the many attractive purchase opportunities that have arisen as a product of these conditions. With the acquisition of two new properties in the past year, we are creating a portfolio that not only holds the promise of long-term value appreciation, but which we also expect to generate cash flows within three years.

In January of 2000, Newmex entered into an option agreement to purchase a 32 per cent leasehold interest in the Borealis Gold Project. The property consists of 268 unpatented mining claims (approx. 5,360 acres) located in the Borealis Mining District in Mineral County, Nevada.

Between 1981 and 1991, Echo Bay Mines, Inc., and its corporate predecessors mined 10.7 million tons of ore with an average gold content of 0.059 opt from eight open pits on the property. A total of 635,000 ounces of gold was contained in the 10.7 million tons of mined ore processed by heap leaching methods. Echo Bay recovered 475,000 ounces of gold, or approximately 75 per cent of the gold present in the heaps. The remaining recoverable gold (approx. 160,000 ounces) is still present in the five reclaimed heaps at the property.

In addition to the above ground gold resource, there is a substantial gold resource remaining in place at the property. Much of the remaining mineralized resource is at shallow depths and is widespread.

We believe that this project has substantial economic potential, and consequently, we expect to spend considerable time and money on this prospect over the coming year. Plans are currently in place for a significant work program to take place by the fall of 2000.

We have achieved small-scale production at the Privateer Mine, near Zeballos, B.C., with approximately 100 ounces of gold produced to date. We are currently proceeding with geologic work to define further targets for larger-scale production. To complete this work, we also anticipate raising further capital in the fall of 2000.

An additional drilling program at our Chocolate Peak, New Mexico property is scheduled for the fall of 2000, and we expect this activity to increase the value of this property considerably. Given the current environment, we do not believe that the sale of Chocolate Peak is imminent, but we remain well positioned to reap a substantial gain on the future sale or development of this property.

Cala Abajo, Puerto Rico remains an extremely promising property, although we are years from production. In conjunction with our partner, Brancote Holdings Plc, we are currently evaluating how to best proceed with this project.

In closing, I would like to take this opportunity to thank our shareholders for their continuing patience and support. While our share price reflects the market's current lack of interest in this sector, we are continuing in our efforts to assemble a portfolio of profitable, producing mining properties.

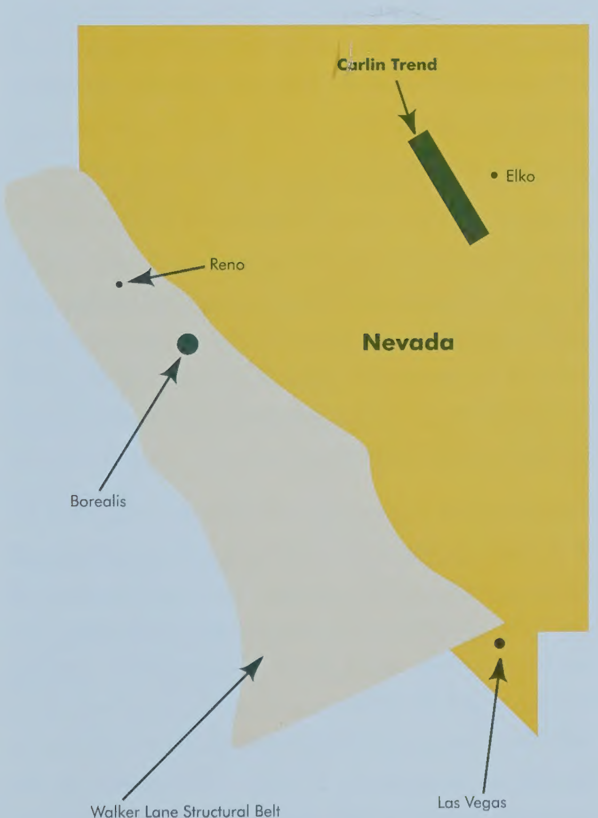
On behalf of the Board of Directors,

Peter J. Workum
President

REVIEW OF OPERATIONS

BOREALIS PROJECT – MINERAL COUNTY, NEVADA

In January of 2000, Newmex entered into an option agreement with J.D. Welsh and Associates, to purchase a 32% leasehold interest in the Borealis Gold Project. Purchase price for the interest will total $236,600 (U.S.). The property consists of 268 unpatented mining claims (approx. 5,360 acres) located in the Borealis Mining District in Mineral County, Nevada. Golden Phoenix Minerals, Inc. (GPXM – OTC) owns the majority 68% leasehold interest and is the operator of the project. The property is leased from the Borealis Partnership, and is subject to a small net smelter return royalty once production is achieved.



Between 1981 and 1991, Echo Bay Mines, Inc., and its corporate predecessors mined 10.7 million tons of ore with an average gold content of 0.059 opt from eight open pits on the property. A total of 635,000 ounces of gold was contained in the 10.7 million tons of mined ore processed by heap leaching methods. Echo Bay recovered 475,000 ounces of gold from the property, or approximately 75% of the gold present in the heaps. The remaining recoverable gold (approx. 160,000 ounces) is still present in the five reclaimed heaps at the property.

In addition to the above ground gold resource, there is a substantial remaining-in-place gold resource at the property. Echo Bay Mines, Inc. mined only the oxide ores at the property; the mixed oxide/sulfide mineralization and the sulfide mineralization were never mined. Much of the remaining mineralized resource is at shallow depths and is widespread at the property. Previous operators drilled approximately 2000 drill holes to define the oxide resource (largely mined out) and to partially define the remaining mixed oxide/sulfide and the sulfide resources at the property. This extensive database, which cost upwards of $12,000,000 (U.S.) to acquire, is being used to evaluate the project.

The Borealis property contains several epithermal gold systems marked by large areas of structurally controlled silicification, hydrothermal brecciation and argillic alteration hosted in Tertiary volcanic rocks. The volcanics consist of andesitic flows, breccias and tuffs. Gold deposition was structurally controlled along the Freedom Flats – Borealis fault system. This northeast-trending fault zone, which is over 12,000 ft. long, is a regional scale structure and transects the entire property. The Freedom Flats, Borealis, Deep Ore Flats, East Ridge and Northeast Ridge breccia pipe deposits were emplaced along this structural zone. Previous

mining from these deposits was responsible for 582,000 of the 635,000 ounces produced from the district (91.6%). Significant gold mineralization remains in the pit floor, walls and structural extensions of these deposits.

The previous operator concentrated on development of easily heap-leachable, oxidized, open-pittable ores. Consequently, most exploration and development drilling was to shallow depths (often bottoming in ore grade mixed or sulfide mineraliztion). Open pit mining was designed to maximize the highly profitable oxide reserves. Consequently, the pits commonly bottomed in ore grade mineralization.

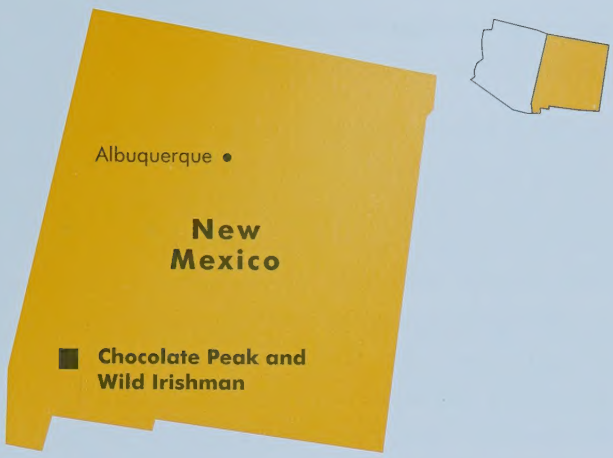
As a result of this concentration on production of shallow, easily minable reserves, the property was primarily explored only to shallow depths. Both the deeper portions of the property and strike extensions of known deposits were only lightly explored or not explored at all. Because of this, the Freedom Flats – Borealis mineralized zone is open both at depth and to the southwest, along strike. There is significant exploration potential along this and other subsidiary mineralizing structures at the property.

Golden Phoenix, the operator of the project, has been conducting an extensive resource evaluation of the property. As part of this evaluation, all of the approximately 2000 drill hole logs and accompanying assay results have been converted to a computerized format. The entire resource base of the property is being recalculated using the cross sectional area method with Meds system software.

Golden Phoenix's published resource estimate for six of the ten known mineralized areas of the property as of May 22, 2000 stands at 30,872,400 tons grading at 0.045 opt Au and 0.21 opt Ag. This yields a measured and indicated in place resource of 1.38 million ounces of gold and 6.43 million ounces of silver. Newmex's consultants, Henkle and Associates of Reno, Nevada, have been conducting due diligence to verify the GPXM estimate. Both the GPXM and Henkle & Assoc. studies are ongoing.

The results to date of the statistical cross sectional analysis and ore density testing of the ore-grade material are very encouraging. These ore results suggest that the GPXM resource estimates are within industry standards for measured and indicated resource calculations. Tighter drill spacing may however be required for measured resource calculations.

Metallurgical testing has also been conducted on drill cuttings from the Freedom Flats reclaimed heap, which contains about 1.27 million tons of partially leached ore. Recovered gold from five 96-hour bottle roll tests of selected drill cuttings varied from 37.04% to 66.67%, averaging at 44.4%. Recovered silver varied from 15.2% to 28.4%, averaging at 22.2%. The grade of the material tested varied from 0.025 to 0.124 opt



Au and 0.35 to 1.58 opt Ag. An indicated resource estimate for the Freedom Flats heap is currently being prepared. Additional drilling on the Freedom Flats heap, and on the remaining 9.4 million tons of reclaimed heaps at the property is planned for late summer, 2000. The economics of recovering the above-ground resource will be determined in the fall and winter of 2000.

While Newmex's due diligence efforts at the Borealis property are still under way, findings to date have been very encouraging. It appears that GPXM's resource estimates have been conservative. Newmex and GPXM are currently finalizing a formal joint venture operation agreement for the project.

The purchase price for Newmex's 32% interest in the project (approx. 441,600 ounces) calculates to approximately $ 0.54 US per ounce of in the ground, indicated gold resource.

NORTHERN CARLIN TREND, ELKO COUNTY, NEVADA:

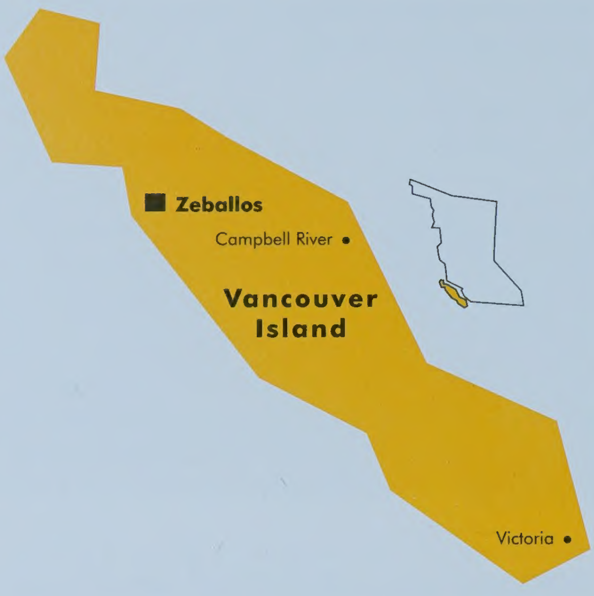
Newmex has a 75 per cent interest in 102 unpatented mining claims in two separate areas adjacent to, and possibly within, a northern extension of Nevada's prolific Carlin Trend Gold Belt. In late 1999, Newmex approached adjacent fee-simple land owners and claim owners to negotiate the pooling of mineral interests in the area in order to form a large block of fee land and mining claims that can be optioned off to a major producing company. Negotiations are still in progress.

CHOCOLATE PEAK, GRANT COUNTY, NEW MEXICO:

This oxide resource is an outcropping, polymetallic oxide disseminated mineral occurrence covering a 1,300 square foot area, with minimal overburden. Geologic modeling based on drill results suggests a measured to indicated resource of approximately eight million tons of mineralization, at a grade of 0.49 per cent manganese, 0.25 per cent copper, and 0.29 per cent zinc. The resource is fault-bounded on the west and south and is open to the north. Management believes that the resource can likely be expanded both across the faults and in the open direction, and plans to undertake a $100,000 to $150,000 drilling program in 2000.

WILD IRISHMAN, GRANT COUNTY, NEW MEXICO:

Wild Irishman is a relatively small scale prospect consisting of unpatented mining claims located in Grant Co., New Mexico near the Tyrone open pit copper mine. Management is currently preparing cost/revenue projections for the start-up of a small silica smelter flux operation.



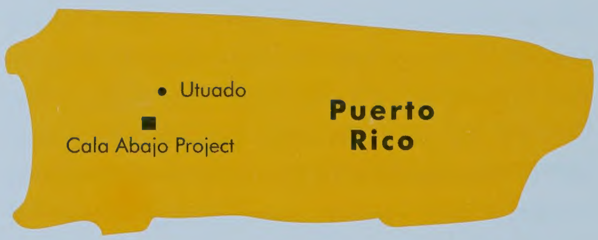
PRIVATEER MINE, ZEBALLOS, BRITISH COLUMBIA:

Newmex owns 100 per cent of the Privateer mine outside the village of Zeballos, British Columbia. The mineral rights include 34 claims totaling approximately 1,068 acres, as well as an operational mill on site. In the summer and fall of 1999, Newmex mined and milled approximately 170 tons of ore, out of a 700-ton bulk-sampling permit. Gold recovery averaged between 0.2 and 0.3 ounces per ton, which at today's gold prices is sub-economic for an operation of this size. In consequence of these sub-economic results, our strategy has changed to allow for high-grading of the more prospective outcrops. While the ultimate outcome of this approach is not yet clear, the initial indications support the merits of allowing our operators substantial freedom in deciding where to mine next.

The company is currently mining and processing smaller high-grade samples. With positive results, plans are underway to complete a detailed geological map of the workings. This information will be used to guide our future mining.

CALA ABAJO PROJECT, UTUADO AND ADJUNTAS MUNICIPALITIES, PUERTO RICO:

In 1999, Newmex expanded its mining portfolio internationally, acquiring 80 per cent of the shares of Southern Gold Resources (USA) Inc., which owns the Cala Abajo Project in west-central Puerto Rico. Our partner, Brancote Holdings Plc, holds the remaining 20 per cent of Southern Gold Resources (U.S.A.) Inc. The Cala Abajo deposit was discovered and explored in the 1960's and 1970's by Amax Inc., who demonstrated the presence of commercial copper-gold ore bodies, but was unable to obtain a permit to develop the large scale (30,000 tons per day) mining, milling, and smelting project planned at the time. In 1992, the Puerto Rican Department of Natural Resources granted Southern Gold Resources (USA) Inc. an Exclusive Exploration Permit for Cala Abajo. The permit covered the 2,189-acre area roughly centered on Cala Abajo Ridge, where the copper-gold ore body is located, and one adjacent branch



of the upper drainage basin of the Rio Pellejas. The permit was amended and enlarged to 2,736 acres in 1995, to include the adjacent Piedra Hueca deposit. Shortly after, the government of Puerto Rico passed legislation to outlaw open pit mining. Consequently, Southern began an ongoing investigation of alternative mining methods, including bulk underground methods, in situ leaching, and, most recently, selective underground mining of higher-grade reserves.

AUDITOR'S REPORT

To the Shareholders
of Newmex Minerals Inc.:

I have audited the consolidated balance sheet of Newmex Minerals Inc. as at December 31, 1999 and the consolidated statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

James A Forbes

James A. Forbes
Chartered Accountant
Calgary, Alberta, Canada
May 17, 2000

CONSOLIDATED BALANCE SHEET

As at December 31

ASSETS		
	1999	1998
Current assets		
Cash and term deposits	**$ 11,641**	$ 6,767
Accounts receivable	**1,743**	11,499
Deposits	**30,500**	30,000
	43,884	48,266
Advances to Dakota Mining Corporation (note 4)	**594,183**	—
Fixed assets – net	**1,538**	2,632
Mineral properties (note 5)	**2,259,652**	1,865,533
	$ 2,899,257	$ 1,916,431
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 116,732**	$ 242,373
Advances from Proprietary Energy Industries Inc. (note 6)	**676,568**	595,420
Advances from EnerGCorp (note 7)	**505,102**	—
Provision for future site restoration costs	**20,000**	20,000
	1,318,402	857,793
Note payable (note 8)	**475,875**	475,875
SHAREHOLDERS' EQUITY		
Share capital (note 9)	**4,272,057**	3,604,347
Deficit	**(3,167,077)**	(3,021,584)
	1,104,980	582,763
	$ 2,899,257	$ 1,916,431

Commitments (note 11)
Financial Instruments (note 12)
Related Party transactions (note 13)
Subsequent Events (note 14)
Segmented Information (note 15)
Year 2000 (note 16)

APPROVED BY THE BOARD

Theodor Hennig, C.A.
Vice President, Finance, Director

Peter J. Workum
President, Director

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

For the year ended December 31

	1999	1998
ADMINISTRATIVE EXPENSES		
Consulting fees	**$ 8,325**	$ 43,751
Settlement costs	—	85,000
Depreciation	**1,094**	2,264
Interest on long-term debt	**47,587**	35,690
Interest – other	**8,607**	37,441
Investor and public relations	**4,104**	15,624
Listing and filing fees	**3,093**	4,650
Office	**42,969**	63,148
Professional fees	**20,310**	4,600
Travel	**9,404**	4,144
Write-down of mineral properties	—	179,326
LOSS FOR THE YEAR	**145,493**	475,638
Deficit, beginning of year	**3,021,584**	2,545,946
DEFICIT, END OF YEAR	**$ 3,167,077**	$ 3,021,584
LOSS PER SHARE	**$0.02**	$0.10

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

	1999	1998
Cash provided by (used in)		
Operating activities		
Loss for the year	$ (145,493)	$ (475,638)
Items not involving cash		
Loss on disposal of mineral properties	—	179,326
Depreciation	1,094	2,264
	(144,399)	(294,048)
Change in non-cash working capital	1,145,286	837,868
	1,000,887	543,820
Investing activities		
Advances to Dakota Mining Corporation	(594,183)	—
Mineral property expenditures	(394,119)	(616,888)
	(988,302)	(616,888)
Financing activities		
Common shares repurchased for cancellation	(7,711)	—
Increase (decrease) in cash	4,874	(73,068)
Cash, beginning of year	6,767	79,835
Cash, end of year	$ 11,641	$ 6,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1999

1) NATURE OF OPERATIONS

The Company's principle business activity is the exploration for and acquisition of mineral properties with a view to bringing them into production in a reasonably short period of time. Recoverability of the costs of mineral properties is dependent upon various factors, including the existence of economically recoverable reserves, the ability to obtain necessary financing to complete development, future profitable operations from the properties, or proceeds of disposition. Pending profitable operations, or disposal of the Company's properties, existing working capital and debt or equity financing must provide cash requirements.

2) COMPARATIVE FIGURES

The comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

3) ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which in all material respects conform to the international accounting standards.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Apex Valley Resources Inc., and Kilo Distributors Ltd.

Mineral Properties

Acquisition costs of mineral properties together with direct exploration and development expenditures thereon are deferred in the accounts. When production is attained, these costs are depleted using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual properties exceed the estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written-off when the decision to abandon is made.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year.

Fixed Assets

Fixed assets are recorded at cost. Depreciation expense is computed as follows:

Equipment	straight-line over five years
Computer equipment	30% declining balance

Foreign currency translation

Monetary assets and liabilities are translated into Canadian dollars at the balance sheet date rate of exchange and non-monetary assets and liabilities at historical rates. Revenues and expenses are translated at appropriate transaction date rates except for depreciation and amortization, which are translated at historical rates. Gains and losses on translation are included in income.

4) ADVANCES TO DAKOTA MINING CORPORATION

The advances to Dakota Mining Corporation are interest free and have no fixed terms of repayment. The Company has entered into an agreement to convert the advances to the shares of a subsidiary company of the debtor as outlined in note 13.

5) MINERAL PROPERTIES

i) **Privateer Mine, Zeballos, British Columbia**
The Company has a 100% interest in 34 claims totaling 1,068 acres. As well, the Company owns an operational mill and mining equipment on site.

ii) **Chocolate Peak Claims, Grant County, New Mexico.**
The Company has a 100% interest in 101 mining claims.

iii) **Wild Irishman Claims, Grant County, New Mexico**
The Company has 100% interest in 24 mining claims.

iv) **Northern Carlin Claims, Elko County, Nevada**
The Company has a 75% interest in 133 mining claims.

v) **Borealis Claim, Mineral County, Nevada**
The Company has a 32% interest in 213 mining claims.

6) ADVANCES FROM PROPRIETARY ENERGY INDUSTRIES INC.

The advances from Proprietary Energy Industries Inc. are interest free and have no fixed terms of repayment.

7) ADVANCES FROM ENERGCORP, INC.

The advances from EnerGCorp, Inc., are interest free, have no fixed terms of repayment and are payable in US dollars.

8) NOTE PAYABLE

Note payable bears interest at 10% per annum. Subsequent to year end the note was converted into common shares of the Company as outlined in note 13.

9) SHARE CAPITAL

Authorized
Unlimited number of common shares without par value

Issued	**Number**	**Amount**
Balance at December 31, 1997	8,145,495	$3,127,897
Consolidation 5 to 1	1,629,099	—
Issued for mining properties	4,282,875	476,450
Balance at December 31, 1998	5,911,974	3,604,347
Issued on conversion of debt	1,055,345	675,421
Repurchased for cancellation	(12,000)	(7,711)
Balance at December 31, 1999	6,955,319	$4,272,057

Stock Options

On December 31, 1999, the following options to purchase 588,875 common shares were outstanding:

Grant Date	Number of Shares	Terms
October 18, 1995	41,000	$0.83 per share, expiring October 18, 2000
April 18, 1996	12,000	$0.83 per share, expiring April 18, 2001
May 23, 1997	60,000	$0.83 per share, expiring May 23, 2002
April 30, 1998	475,875	$0.83 per share, expiring April 30, 2003

10) INCOME TAXES

The Company has losses of $1,323,550 available to reduce future taxable income. These losses are due to expire as follows:

2000	–	$ 99,062
2001	–	136,278
2002	–	142,533
2003	–	320,723
2004	–	186,507
2005	–	294,048
2006	–	144,399
		$ 1,323,550

The Company has also available $3,607,538 (1998- $3,015,354) in its asset pools to reduce future taxable income. No recognition has been given in these financial statements to the potential tax benefits associated with these losses and pool deductions.

11) COMMITMENTS

Borealis Claim

On December 31, 1999 the company entered into an option agreement to obtain a 32% interest in the Borealis mining lease located in Mineral County in the state of Nevada USA. Under the terms of the agreement the company is required to make monthly payments of $10,000 (U.S.) for eleven months commencing February 1, 2000 and additional payments of $50,000 (U.S.) on September 1, 2000 and $76,000 (U.S.) on November 1, 2000. In lieu of making the November 1, 2000 payment the company has the option of issuing shares, the number of shares issued being the sum of $153,200 (U.S.) converted to Canadian dollars and then divided by the company's average daily closing per share price during the month of October 2000.

During the term of the option agreement the company is obligated to pay monthly lease payments in the amount of $1,920 (U.S).

The company has the option to terminate the agreement at any time with no further monetary obligations other than reclamation and remediation payments as may be required by environmental and regulatory authorization. The properties are subject to a 3% royalty upon commencement of commercial production.

Chocolate Peak Claims

On June 23, 1997 the company entered into a 20-year mining lease agreement for properties located in Grant County, New Mexico USA.

The agreement requires initial annual payments of $5,000 (U.S.) escalating to $20,000 (U.S.) for the later years of the lease with accumulated lease payments totaling $284,500 (U.S.).

At the time the company commences commercial production the balance of the above payments are payable over a period of two years.

The company has the option to terminate the lease at any time with no further obligation extending beyond the termination date.

Northern Carlin Claims

On April 15, 1999 the company entered into a 20-year mining lease agreement for properties located on Elko County, Nevada, requiring annual payments of $2,000 (U.S.). The company has an option to purchase the properties for a consideration of $1,000,000 (U.S.) less accumulated lease payments noted above. The properties are subject to a 2% net smelter royalty on commencement of commercial production.

12) FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and term deposits, accounts receivable, deposits, advances to Dakota Mining Corporation, accounts payable and accrued liabilities, advances from Proprietary Energy Industries Inc., and EnerGCorp, Inc., and note payable. The fair values of these financial instruments other than the note payable approximate their carrying values due to the short-term nature of the instruments. The fair value of note payable approximates its carrying value due to the rate of interest charged being close to the market rate of interest.

13) RELATED PARTY TRANSACTIONS

The note payable is due to Proprietary Energy Industries Inc., which is a related party by virtue of common management. As at December 31, 1999, Proprietary Energy Industries Inc. owned 15% of the total issued and outstanding common shares of the Company. Subsequent to year-end, after the transaction outlined in note 13, Proprietary's ownership of the Company increased to 31.5% of the voting shares and 55.3% of the issued and outstanding shares.

EnerGCorp Inc., referred to in note 7 is a related party by virtue of common management and is a controlled subsidiary of Proprietary Energy Industries Inc.

During the year the Company incurred interest charges from Proprietary Energy Industries Inc., in the amount of $56,194 (1998- $73,131) at an annual rate of 10%.

14) SUBSEQUENT EVENTS

Stock Options

Subsequent to December 31, 1999 the Company granted options to the Directors to acquire 645,000 shares at an option price of $0.40 per share. The options expire on February 24, 2002.

Acquisitions

Subsequent to December 31, 1999 the company signed an agreement to acquire 80% of the shares of Southern Gold (USA) Resources Inc., from Dakota Mining Corporation. The shares are to be acquired on the conversion of the note receivable per note 4, which will comprise 100% of the acquisition price. Southern Gold (USA) Resources Inc. has rights to an exclusive exploration permit to develop mining properties covering 2,736 acres in Puerto Rico.

Subsequent to year-end, the note payable to Proprietary Energy Industries Inc., in the amount of $475,875 was converted to 475,875 common shares of the Company. On March 15, 2000, Proprietary acquired an additional 2,582,875 common shares of the Company from a major shareholder.

15) SEGMENTED INFORMATION

The Company is currently involved in one significant industry segment, being the exploration and development of mineral properties in the United States and Canada. The United States operations have identified assets of $1,537,444 (1998- $1,309,824).

16) UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

CORPORATE INFORMATION

CORPORATE OFFICE

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Macleod Dixon
Barristers & Solicitors
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AUDITOR

James A. Forbes, C.A.
Suite 520, 603 7th Avenue S.W.
Calgary, Alberta T2P 2T5

TRANSFER AGENT AND REGISTRAR

Montreal Trust
600, 530 8th Avenue S.W.
Calgary, Alberta T2P 3S8

STOCK EXCHANGE LISTING

The Canadian Venture Exchange
Trading Symbol: NMM

DIRECTORS AND OFFICERS

James H. Bright
Mining Consultant
Reno, Nevada

Theodor Hennig, C.A.
Vice President, Finance
Secretary/Treasurer
Calgary, Alberta

Peter J. Workum
President and Chairman
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